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CONFERENCE ON US-EUROPEAN RELATIONS, 10 SEP 1950

MEMORANDUM FOR: JLZ, NS

I can't tell how much of the incoherence is due to the discussion and how much to inadequate note-taking; perhaps a bit of both. In any case, perhaps these notes will jar your memories so that you can make the conference appear less stupid than it would seem from my record. It wasn't stupid.



Date

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## The Security Dimension --

There was a general feeling that emerged in the talks on security and throughout the day that European perceptions of a threat to their security from direct intervention in Western Europe by the Soviet Union was low/and that the Europeans feel more threatened by disruption (or sharp price increases) of oil supplies from the Gulf, as well as by other raw material disruptions. Some participants thought that, this European perception notwithstanding, there is reason to believe positive attitudes toward the Alliance are increasing; others, that the US and Western Europe are inexorably moving along different tracks regarding a willingness to face Soviet power.

A speaker characterized the present structure of the Atlantic community as more fluid and <sup>as</sup> posing more questionmarks than at any time since World War II, noting that most European(?) governments have an interest in minimizing the difficulties--which leads to a stifling of diagnoses and of systematic, candid action. There is a general recognition that issues can be only managed, not removed or solved.

This participant thought there were several reasons why the Europeans ought to feel more insecure: the Soviets are more powerful, their momentum of military growth has not slackened; the Europeans are less clear about US reliability and the US capacity to protect their interests; they are less sure of the ability of the US system to meet its own problems; and the areas on which they depend for their resources are less secure, more turbulent.

And yet, he thought, in many respects the Europeans are more relaxed about the international situation than would seem warranted. Instead; their concerns are overwhelmingly with domestic issues.

The EC, which ought to be drawing conclusions from the international situation and moving towards greater cohesion, is moving

only slowly, if at all. Movement may still come as the threats make themselves felt, but for the moment the ministers seem more fascinated by such questions as the community budget.

This speaker also noted that 35 years of peace among the Europeans has the effect on the public at large, particularly the young, ~~of~~ <sup>ing</sup> ~~that~~ making them not particularly robust on security issues. The possibility of getting involved in a war has come to seem remote. The paradox is that as unsure of the US as they are, they nevertheless by and large rely on the US. This phenomenon of reliance on the unreliable Americans is something that both Europeans and Americans will have to come to grips with in the next 25 years, and especially perhaps in regard to West Germany.

With respect to the USSR, this participant thought that many informed Europeans are aware of the growth of <sup>Soviet</sup> military power, but that by and large the continental Europeans tend to see in what remains of detente and negotiating processes the means to cope with it. TNF, for example, while seen by the US mainly as a defense decision, is seen in Europe primarily in terms of arms control.

Not only in regard to the Soviet Union, but to other problems as well, this speaker believed, the Europeans want to avoid anything smacking of confrontation--the PLO, for example. As far as the USSR and Eastern Europe are concerned, the Europeans strongly hold the view that they are needed for economic reasons, and in fact that there is a mutual dependence.

Poland, in the speaker's view, has reinforced all these tendencies. The West Europeans want to see the Polish developments succeed, but they do not want to see Soviet tanks crashing through Poland. The possibility of spillover to other Eastern European countries, especially the GDR, raises old spectres and West Germany in particular may be anxious that the situation in Poland evolve slowly and carefully.

Overall, Poland has reinforced the tendency seen by this speaker towards caution, negotiation, accommodation, and minimizing confrontation. The speaker thought that this was different from the way public opinion was moving in the United States.

Other speakers raised questions about the present period being in fact the most difficult in West-West relations since World War II, about European perceptions and assessments of the threat really being similar to those of the US, and about the "failure" of the EC to be better organized.

On US-European relations, it was pointed out that there are reasons for believing the "convoy" (i. e., the Europeans) will not go off on its own, but will come around; European public opinion, for example, is showing a slow but steady disillusionment with detente. It is not surprising, one participant thought, that the recognition that detente had limits did not come first from the Europeans. A rejoinder to this was that, if all the issues are taken into account, we may indeed have entered a new/phase in US-Western European relations, qualitatively different. Moreover, this participant thought that many of the issues we all face now are not so susceptible to negotiation in the next few years as they have been in the past, and the European hankering after the "green table" was bound to produce US-European differences.

Several participants believed that the Europeans perceive a more realistic threat to themselves from the Middle East than from direct Soviet action against, say, Berlin. Poland may have raised more pointedly the possibility of spontaneous combustion, but on balance the Europeans see the Soviets as being cautious in Europe and the more lively concern remains over a disruption of oil supplies. A participant asked if one could draw the conclusion that Western Europe was more interested in making deals with the Arabs than in banding together against the Soviet

Union. This was accepted by several of the participants, although some also saw some advantages in individual deals between Europeans and Arabs, and also a certain division of labor with the US, towards Iraq and Iran, for example.

One participant wondered if the failure of the EC is not in fact a failure of its member states, especially France and the FRG. To what extent is the European attitude--more conciliatory, etc.--a rationalization of the inability to organize. It was acknowledged, in response, that the EC members are not ready to submerge national interests and that there is little political coherence; leaders are unable to come to terms with each other and this may be a permanent problem which also transcends electoral politics. On the other hand, where is one to draw the line between rationalization and rationality? Perhaps it doesn't matter all that much. It was also pointed out that it is essential to distinguish between European attitudes directed to events inside and outside of Europe: there are deep differences of analysis between the US and Europe toward the nature of change in the third world and Soviet involvement there. In part this may be rationalization--Western Europe has fewer means to project its influence or safeguard its interests than the US--but nevertheless European views are not without intellectual merit. Whether or not this is upsetting to the US-WE relationship depends in the final analysis on the US.

One participant noted that disappointment with detente need not lead to confrontation between East and West. The US can try to convince the Europeans that there is a middle way between detente and confrontation.

## Economic and Social Forces --

There seemed to be general agreement that economic questions, dominated by concern over energy supply and price, would be major influences on Europe over the next decade and would create the necessity for social and political change which would be difficult to predict; it did not seem to most participants that change would be cataclysmic or beyond the capabilities of the Europeans to cope with while maintaining stability.

A speaker pointed out that the most relevant question from the policy point of view is to ask how much pressure the governments will feel as a result of social and economic factors. The main variable, he thought, would be the increased impact of the "oil tax." He believed there was a dialectic at work that seemed to engender first, great alarm, then complacency, and finally a state in which things are perceived as getting worse, but not necessarily catastrophic. He argued that as we transfer ever more wealth to the oil producers--measured by the amount of real work needed to buy oil--the strain is getting worse. There is a high probability that the mix of three trends--high inflation, high unemployment, and recession--would lead to social strains arising out of a lower standard of living; greater social conflict from a slower growing pie. This implies psychological, as well as economic, burdens for those who are disadvantaged. <sup>With Given</sup> this underlying situation, there is too great an emphasis on the role of leaders.

If, from the US point of view, the Europeans overperceive the oil threat (and hence look too much toward the Arabs) and underperceive the Soviet threat, what can the US do about it? We could try to prevent "experimentation" by argument, let the Europeans experiment and fail in their expectations, or acknowledge--if their deals work--that we face an ever more pluralistic world, and one which is moving away from us. The speaker thought that the total socio-economic picture over the next

## European

five years would lead to more/attempts to deal bilaterally (nationally) with the Arabs; the Europeans are unlikely to sit down with the US if they are unable to agree among themselves.

Another speaker believed that economic issues, which moved higher on agendas in the 1970s, would assume even greater importance in the '80s. Energy is by far the most important factor in determining why the set of problems (inflation, unemployment, high interest rates, balance-of-payments, export markets, re-industrialization) has become more salient. At the moment, there appears to be an interlude, but little is expected to occur on the supply side to change the picture, while higher demand is likely.

The situation will be characterized more as a squeeze than a crunch, even though sudden discontinuities in the supply or price picture are also possibilities--and a <sup>cr</sup>cruch need not be large in absolute terms to cause disruption. The "squeeze" nature of the situation is one of the reasons why these economic problems have political consequences: governments are perceived as being able to affect the economics, but in fact as the problems become more intractable the governments are put under increasing pressure to provide solutions which don't exist--in large part because the causes lie outside their borders.

The Europeans are not without assets to demonstrate their adaptability to the new situation, but the more prosperous countries may have more resilience than others. This could lead to increased divergence among the northern and southern Europeans, for example and, in any case, much greater competition among the OECD countries as Europe must find ways to pay for energy imports. In sum, the '80s will see two sets of pressures existing simultaneously: a tendency to pull apart as countries seek their own solutions, but also opposite pressures arising from security and energy problems manageable only through cooperation.

One participant thought it too mechanistic to posit the effect



on social pressures of the economic situation, noting that European countries were going through a restructuring of the welfare state and not at all unsuccessfully. A reply to this was that although not dramatic, there were signs of stress--drugs, hedonism, retreat into self--and one cannot in any case predict what form strains would take. Internal adaptation, this participant thought, were much slower than energy supply changes.

## Political Trends --

While some speakers emphasized that states will be under some pressure to respond to new demands which will increasingly come from outside the traditional party systems, others thought that predictions of instability were dangerous: various self-stabilizing forces seemed to be at work, even though it is difficult to know exactly what they are. The primacy of domestic politics implies that the US will have to practice a certain kind of tolerance towards its allies.

One speaker noted that while the demands on the state will increase, limitations on foreign policy options will remain and it will be harder to take foreign actions to help domestic problems. There is likely to be continued disappointment in what the EC can do. Internally, there will be a decline in the efficacy of political parties and pressures for fragmentation. The "underclass" in Europe (non-whites in the UK, Gastarbeiter in the FRG, for example) will become more important politically. Meanwhile, the absence of credible answers to grievances will be exacerbated by the energy squeeze. Other players, such as trade unions in West Germany, will assume a greater role. Also, ~~the~~ transnational factor<sup>e</sup>--bankers, for example--will grow in importance. Tensions on the state could mount as demands--for order, for example--impinge on governments. Within Europe, more differentiation is likely between the more advanced and more impoverished countries. Germany, in particular, will be "different" because of the abiding interest in the "German question." Less money will be available for Alliance purposes and the individual states will see more of a political role for themselves. Germany is likely to "explore" the Soviet-German terrain, feeling that no one else can do so for it. If seen as "subversive" by the US, this could spell trouble. As foreign policy is increasingly seen as survival policy, the US will have to understand that the allies have interests different from our own. This should lead to a policy embodying

a more subtle and variegated sense of dealing with East-West relations.

Basing his remarks primarily on the states of the European Mediterranean littoral, another speaker noted that economically, these countries were until recently poor, peasant societies. Sociologically, they embodied traditional social structures, more exposed to erosion. Politically, ~~they~~ were young constitutionally, with long bureaucratic and short parliamentary traditions; polarized party systems, and governments controlled by large center-right parties. They thus seemed prime candidates for centrifugal politics, the theory being that extremism breeds political instability, which leads to inefficient government and more extremism. Economic adversity, meanwhile, increases the centrifugal spin and ~~entails~~ <sup>strains</sup> a weak political consensus, so that all are high-risk systems. This theory, however, seems at least questionable when <sup>Compared to actual developments in the Southern Tier:</sup> applied to Portugal, for example, even Italy. It may be that something is going on in these countries that combats the centrifugal process. Some of the self-stabilizing factors may be economic adversity itself, which if inflationary breeds its own constituency and plays down radicalism. It may be also that one underestimates the commitment of the elite to existing regimes. This speaker predicted the future of the European Mediterranean as one of rapid growth, urbanization, social change, and terrorism, along with an unreformed bureaucracy and the domination of a paralyzed center-right system, but that nevertheless the countries will endure.

Although one speaker thought that the allies have been affected by Afghanistan, for example, and he was thus less pessimistic than others about US-European relations at a time when domestic issues seem to predominate in Western Europe, others thought that one needed to develop a more intense kind of communication with the Europeans in order to allow for more independent approaches, but that in fact the US understands the Europeans less well today than 10 years ago, and

the Europeans reciprocate--the Europeans also have less interest in the US than has been true of most of the post-war period. It was also mentioned that the absence of a "transcendental goal" hampers communication; the cold war as a symbol will no longer excite people.